GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3563
ANSWERED ON:08.08.2016
Promotion of New Entrepreneurs
Verma Smt. Rekha Arun

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it has come to the notice of the Government that the conditions of tenders floated by the Government are such that new entrepreneurs are precluded from participating and thus new entrepreneurs get discouraged;

(b) if so, whether the Government is preparing any policy to relax the rules and conditions in this regard; and

(c) if so, the details thereof along with the time by which the said policy is likely to be implemented?

Answer

???????? ??? ?????? ????????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): The Startup India Action Plan as announced on 16th January, 2016 envisages to exempt Startups (in the manufacturing sector) from the conditions of "prior experience and turnover" without any relaxation in quality standards or technical parameters. The Ministry of Micro, Small & Medium Enterprises (MSME) vide Policy Circular No.1(2)(1)/2016-MA dated 10th March 2016 has clarified that (i) the startups are normally Micro and Small Enterprises which may not have a track record. These will have technical capability to deliver the goods and services as per prescribed technical & quality specifications, and may not be able to meet the qualification criterion relating to prior experience-prior turnover and (ii) all Central Ministries/Departments/Central Public Sector Undertakings (CPSUs) may relax condition of prior turnover and prior experience with respect of Micro & Small Enterprises (MSEs) in all public procurement subject to meeting of quality and technical specification. Further, the Department of Expenditure vide O.M.No. 20/2/2014-PPD(Pt) dated 25th July, 2016 clarified that all Central Ministries/Departments may relax condition of prior turnover and prior experience in public procurement to all Startups (whether MSEs or otherwise) subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR, 2005.
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